



**BASILE J. NEIDAS,
CHIEF EXECUTIVE OFFICER OF OPAP S.A.**

Greece's Gaming Appetite paves way for Market Success Story

Given that the Greeks have been among the world's most fervent "gamers" since antiquity, it is little surprise that one of the country's most successful companies is its biggest gaming firm.

OPAP- the Greek Organization of Football Prognostics - began life, as the name suggests, as the state's football pools operator in 1958, but has since diversified into many aspects of gaming and is now also the national lottery operator. The company controls over 40% of the Greek gaming market, holding the sole concession to operate and manage eight existing lottery and sports betting games, as well as three new lottery games, which it does via 5,500 outlets throughout the country. Crucially for its future, OPAP also holds the sole concession to operate and manage any new sports betting games in Greece for the next 15 years.

OPAP constantly adds new games to its portfolio to stimulate public interest, the latest of which, the "Kino" lottery, has proved a considerable success. Beyond the lottery, OPAP is perhaps best known for its leading game. "Pame Stihima" (Let's Bet"), which offers betting on a range of sports.

The continuing success of OPAP's strategy is evident in results which showed operating revenues of € 880.8 million in the first quarter 2005, a rise of 26.7% over the same period in 2004.

The company's solid position in the gaming industry has not gone unnoticed by

the international business community, which has seen OPAP as a firm worthy of support over the course of the Greek government's gradual divestment of its majority holding.

The privatization process began in 2001 and was an immediate hit with investors, with the initial public offering oversubscribed five fold. In the most recent installment of the story, in July 2005, the government sold 16.44% of its remaining 51% stake in OPAP, raising some € 1.3 billion for the Greek Treasury, at the end of a four year period which saw the company's share price increase by almost 400%.

This and the revenue raised from previous sales of OPAP shares have made it one of the country's most lucrative privatizations - OPAP is now among the top four publicly traded gaming firms in Europe - and its success has been closely watched by other European government's considering similar sell-offs in their gaming industries.

Little surprise then that the roadshow that the company took around the business centers of Europe and the US to promote that latest tranche of the flotation is remembered fondly by Basile J. Neidas, OPAP's Chief Executive Officer. His business relations skills were recognized in his previous post as General Director of Support Services for the 2004 Olympic Games in Athens.

"We were looking at happy investors, in the case of those that had already taken shares in the last placement in July 2003.

They bought at € 9.44 a share and found themselves two years later looking at a market price at € 23.50, as well as two years of dividends which had provided some of the biggest yields in the world," Mr. Neidas says. "The first thing they said was: 'welcome, we like you', which is a nice way to start a meeting.

Investors were not just looking at the company's enviable position in an active gaming market, but also its solid track record and propensity to innovate in order to revitalize public interest in its games.

"Greeks like to test out new things, they are natural gamblers. But the good brand name of OPAP is also important. People like to play our games - they look at our reputation and our history. We have a lot of experience, our management is competent and we launch games with success," Mr. Neidas says.

BROADENING HORIZONS

While OPAP is assured a secure medium-term position in its home market, courtesy of a license that gives it control of its sector of the Greek gambling market until 2020, the company is well aware that gambling is becoming a global business and OPAP must be prepared to extend its horizons in order to prosper.

"If we lost our monopoly, we wouldn't mind," Mr. Neidas asserts. The loss of the monopoly is not a threat for OPAP, it's an opportunity. With its history, proven management know-how and money, OPAP has the capacity to invest practically everywhere. The liberation of the European market means that, instead of having a market of 10.5 million people, we will have one of 350 million."

A crucial step in this regard is the development of a brand new information technology system, matching the best in the world. This will not only streamline the costs and administration of games, but also enable OPAP to position itself for life in a more competitive and much larger world of gaming in the future.

OPAP wants the IT system to be as versatile as possible - capable of allowing the company to move into any number of lucrative sectors from interactive television gaming into mobile phone betting and event internet dating, as opportunities arise.